



Board of Harbor Commissioners for the Harbor of Portland, Maine

Marine Trade Center, 2 Portland Fish Pier, Suite 105, Portland, ME 04101

January 6, 2022

Capt. Mark Klopp
Portland Pilots
P.O. Box 7485
Portland, ME 04112-7485

Dear Captain Klopp,

Per the agreement of 2019, in order for the Board to consider the Portland Pilots rate increase, as well as the Capital Construction Fund increase to \$175.00, the Board requires the following additional information:

1. Projected budget for 2022 showing revenues and expenses reflecting expected pilotage trips for 2022, pilotage rates at levels proposed in the 2022 Rate Increase Request, justification for the \$175 construction fund, and any known and measurable increases to expenses.
2. Detailed breakdown of revenues in the projected budget above showing assumed numbers of pilotage trips in various vessel classes, including yachts.
3. Projected budget for 2022 showing revenues and expenses reflecting expected pilotage trips, current pilotage rates, trip units, and any known and measurable increases to expenses for 2022.
4. Detailed budgets for 2019 and 2020 showing a comparison of budgeted items and expenses to actual revenues and expenses.
5. Documentation showing a comparison of the requested pilotage rates with the rates in other ports.
6. Evidence regarding the number of vessels in each class, including yachts, requiring pilotage services in the Port in 2019, 2020, and 2021, and any projected known and measurable changes in that number for 2022.
7. Copies of the Portland Pilots corporate tax returns for 2020 and 2021, as well as copies of the annual financial statements prepared by your accounting firm for 2019 and 2020 and personal tax returns showing pilot compensation.
8. Any other evidence, including evidence submitted during the prior rate increase proceedings before the Board, that you deem necessary or helpful to the Board's determination of a just and reasonable pilotage rate.
9. Any pandemic funding that you requested and/or received from any federal, state, or other source.

10. On February 25 of each year, unless directed otherwise by a majority vote of the Board, Portland Pilots, Inc. shall provide to the Board of Harbor Commissioners:

- a. An actual profit and loss statement for the prior calendar year. This profit and loss statement shall be substantially in the form of the 2018 Profit and Loss Analysis that Portland Pilots provided to the Board on March 28, 2019.
- b. A listing of the ships, including yachts, and pilot units for the prior calendar year, including the total pilot units for the prior calendar year, in a form substantially similar to Exhibit 17 that Portland Pilots provided to the Board on April 29, 2019.
- c. A document showing the ships, including yachts, by pier for the prior calendar year, in a form substantially similar to Exhibit 22 that was provided to the Board on April 29, 2019.
- d. An update to the Pilot Unit and Rate Comparison Worksheet, in a form substantially similar to Exhibit 37 that was provided to the Board on May 24, 2019. The Pilot Unit and Rate Comparison Worksheet should reflect the pilotage fee rates adopted by the Board for the upcoming calendar year, and should reflect and explain any changes to the expected operating cost, the expected safe operating cost, the estimated pilot units and the estimated revenues for the upcoming year.
- e. An update to the Other Port Rate Comparison document showing the pilotage charges for Portland with those of other ports including, but not necessarily limited to, the ports of Boston, Rockland/Camden, and Bar Harbor. Please provide this Other Port Rate Comparison in substantially the same form as Exhibit 38, which was provided to the Board on May 24, 2019 and was removed from confidentiality by a decision of the Chair of the Board on May 28, 2019.
- f. An Excel spreadsheet showing the actual revenues and expenses for the prior calendar year using the applicable pilotage rate for the respective year and actual total pilot units for that year, in a form substantially similar to the Excel spreadsheets created by and provided to the Board at the June 6, 2019 Public Hearing. Any changes in the actual revenues and expenses for a particular year relative to the projected revenues and expenses previously provided to the Board for that same particular year should be fully explained in narrative form with supporting documentation.
- g. An Excel spreadsheet showing the projected revenues and expenses for the upcoming calendar year using the applicable pilotage rate for the respective year and the projected total pilot units for that year, in a form substantially similar to the Excel spreadsheets provided by the board at the June 6, 2019 Public Hearing. Any changes in the projected revenues and expenses in a particular year relative to the actual expenses for the prior calendar year should be fully explained in narrative form with supporting documentation.

11. On April 15 of each year, Portland Pilots, Inc. shall provide to the Board of Harbor Commissioners a copy of the Portland Pilots, Inc. tax return for the prior calendar year, including applicable worksheets and schedules.

12. The Board reserves the right, at its discretion, to request any additional information from Portland Pilots, Inc. to assist in the Board's determination of whether the pilotage fee rates, minimum pilotage fee and/or fuel surcharge remain just and reasonable.

13. The Board shall review the information provided by Portland Pilots, Inc. and may open a rulemaking proceeding to determine just and reasonable pilotage fee rates, minimum pilotage fees, and/or fuel surcharges if the Board determines for any reason that the current pilotage rates, minimum pilotage fees, and/or fuel surcharges may not be just and reasonable or determines that further investigation is necessary to determine whether they are just and reasonable.

Please note that we have neither requested nor received your prior years' February 25 reports. We ask that you include that data with your rate increase request, in addition to the above items and the checklist on the attached page.

If you are able to assemble the requested information, the Board is prepared to begin deliberations at our next workshop on January 25.

Sincerely,

Daniel Haley, Chair
Board of Harbor Commissioners
for the Port of Portland